

CITY COUNCIL
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December 11, 2016

TO: Council Chair Designate Ron Menor

FROM: Council Vice Chair Ikaika Anderson 

RE: Railvolution Annual Conference – San Francisco 10/9-12/2016

CITY COUNCIL
HONOLULU, HAWAII

2016 DEC 22 P 2:04

RECEIVED

I attended the Railvolution Annual Conference in San Francisco from October 9-12 in San Francisco, California. Railvolution is an annual event that allows transit project stakeholders, developers and representatives from government agencies to share their experiences and provide thoughtful insights on how to make transit projects and associative developments projects a success.

A presentation by Eric Rothman, President of HR&A Advisors of New York City, pointed to the 30th Street Station in Pennsylvania (Amtrak) as a prime example of Transit Oriented Development (TOD). The 30th Street station is one of the three busiest Amtrak stations in the United States with 4.1 million riders annually, and 63,000 weekday travelers. The 30th Street Station District sits on 175 acres located at the center of the city's primary employment districts and vibrant neighborhoods. There are opportunities for future growth in the areas of universities and tech employment, and there is a demand for housing- however, the current market makes office development more challenging at this time. It was noted that vertical development above the rail yard will require significant infrastructure costs- similarly, the main barrier to TOD in Honolulu are infrastructure upgrade costs. A commitment of multiple project partners' funding- city government, state government, and federal government- will be necessary to the project's overall success. Potential private funding sources include Amtrak, private retail investment, and revenues from signage and naming rights. In Honolulu, signage revenue may prove difficult due to current signage regulations.

Schuylkill Yards, Drexel University's Innovation District, will attract business and employment to the tech sector. Potential funding sources for this initiative are private investments, Drexel University via land contributions, and financing tools such as Tax Increment Financing (TIF) and Railroad Rehabilitation and Improvement Financing (RRIF). Transportation Infrastructure Finance and Innovation Act (TIFIA) and RRIF are federal credit assistance programs for the

financing of transportation projects. Specific information for TIFIA and RRIF, as provided by Mr. Rothman, is below;

TIFIA Eligible Borrowers: State government and infrastructure banks; private firms; local governments; Transportation Improvement districts.

TIFIA Eligible Projects: Projects eligible for existing surface transportation programs;

TIFIA Project Types; Highways: Transit; bridge and tunnel; Amtrak/Intercity Rail; public freight rail

TIFIA Examples: Dulles Corridor Metrorail; Staten Island Ferry; Transbay Terminal.

RRIF Eligible Borrowers: Railroads and freight shippers; State and local governments; Joint ventures; Government-sponsored authorities.

RRIF Eligible Projects: Freight or passenger rail infrastructure.

RRIF Project Types: Commuter rail; High-Speed Rail; Amtrak; Intercity rail

RRIF Examples: Denver Union Station; The Gateway Project in New York/New Jersey; Chicago Riverwalk Expansion.

The federal **FAST Act** expands **TIFIA** by:

- *Permitting funding for public infrastructure that supports TOD;

- *Permitting funding for “public infrastructure that is located within walking distance” of a transit facility;

- *Permitting funding for parking garages, pedestrian and bike infrastructure supporting TOD;

- *Reducing the minimum project cost requirements to TOD infrastructure projects and small communities to \$10 million.

The federal **FAST Act** expands **RRIF** by:

- *Permitting commercial and residential development near railroad infrastructure;

- *Allowing private development expenses to include preconstruction and construction costs, plus capitalized interest;

- *Working with the Federal Transit Administration to award technical assistance to communities for the enhancement of TOD.

As Honolulu constructs the state of Hawaii’s first rail transit project, new financing tools will need to be identified to enable TOD. There is no precedent for TIF financing in Hawaii; thus changes to the state constitution and/or approval from the state legislature may be required for Honolulu to capitalize on TIF. Honolulu is working on TOD policy and zoning- these policies include community benefits for increased density. The city is also finalizing updates to its affordable housing policy.

In San Francisco there is a multi-agency effort to increase transit capacity to the city’s core. This effort is being developed by timeframe: short-term to 2020; Mid-term from 2020 to 2030; and long term beyond 2030. Short and medium term projects are being used to inform, identify and consider long-term strategies. Between 2020 and 2040, Transbay Corridor capacity is projected to increase from 105 percent to 152 percent. There is currently consideration of a second Transbay Transit

Crossing and implementation of a dedicated bus lane on the Bay Bridge. Additionally, there are \$19 billion in transportation bond measure initiatives on the November ballot.

A presentation on Inclusionary Zoning focused on affordable housing in TOD districts, the policy of permitting or prohibiting in-lieu fees, and whether it is more beneficial to provide workforce housing onsite versus offsite of new developments. Residential units in TOD areas are oftentimes at premium prices due to the provided amenities and close proximity to transit stations. Workforce housing in TOD districts is critical for encouraging people to make changes to the way they travel (i.e. switching from personal vehicle to modes of public transportation). In-lieu fees offer developers added incentive to build, and in theory still provide for affordable/workforce housing unit construction. The potential risk is the possibility of little or no affordable/workforce housing being built due to in-lieu fees proving to be insufficient, or if construction costs prove to be higher than the in-lieu fees collected. There are benefits and detriments to combining affordable/workforce housing units with market units in new projects. While the combining of affordable and market units in a single project is helpful to avoid creating community blights and negative stigmas, rising maintenance fees have the potential to defeat the purpose of affordable workforce housing. Imposing requirements on off-site affordable/workforce housing units, such as proximity to transit stations, can have positive lasting effects towards accomplishing the goal of maintaining affordability and encouraging use of public transportation.

In an effort to decrease gentrification, Massachusetts builds mixed-income housing- a 200-unit housing project with minimal market-rate rentals was recent completed. There were 11 layers of financing, and it took the developer three to four years to complete the project. Developers' profits are also limited to 20 percent- if profit margins increase to more than 20 percent after project approval/completion, the developer is required to return money to the government.

In San Leandro, a 200-unit housing project is a component of a mixed-development aiming to break ground in 2017. The site is in close proximity to Downtown Oakland, a 500,000 square-foot university campus and a BART station. The developer placed a significant emphasis on community outreach and engagement. Area residents were engaged in the process and able to give their feedback to the developer, which resulted in vast support of the project by the surrounding community. Developers would benefit from engaging the public, especially the surrounding communities in closest proximity to their project, at the earliest planning stages of their projects.

City Council
City and County of Honolulu

CLAIM FOR TRAVEL REIMBURSEMENT

Date: December 1, 2016

Traveler: Ikaika Anderson

Event: Rail-Volution 2016


Location: San Francisco, California

Dates: From October 9, 2016

To October 12, 2016

Description	Amount	Notes:
1. Registration Fee	0.00	\$545.00 (paid via CAS pCard--D. Chun; October 2016;~
2. Airfare	0.00	\$762.00 (already reimb.; GAX-CCL-17002464; Oct. '16)
3. Hotel	0.00 30.10	\$1,437.25 (already reimb.; GAX-CCL-17002948; October
4. Meals	184.16 191.25	\$37.32+\$29.03+\$28.62+\$46.73+\$6.20+\$24.73+\$11.52
5. Ground Transportation	150.57	\$48.20+\$56.88+\$7.38+\$4.75+\$4.75+\$28.61
6. Tips	25.00 56.00	Maid (Oct. 8-12); 5 days @ \$5.00 (certification attached)
7. Other		
Other		
Other		
8. Adjustment	30.10	Under-paid hotel reimb.; \$30.10 hotel buffet-excluded
TOTAL REIMBURSEMENT	389.82 419.92	Total trip cost: \$3,134.07 * i.e., \$389.82 + \$545.00 + \$762.00 + \$1,437.25

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:


Signature of Traveler

12-2-2016
Date